

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:761
ANSWERED ON:04.03.2005
SELF HELP GROUP
Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

- (a) whether multiple agencies like public sector banks, NABARD, NGOs, State and Central Governments are involved in credit delivery to self-help groups;
- (b) if so, whether such system of credit delivery to self-help group creates duplication of lending facilities to such groups;
- (c) if so, whether there is an urgent need to adopt a single window system of credit facilities in the rural areas; and
- (d) if so, the steps taken or being taken by the Government to ensure that the concerned person or group is not part of more than one group or scheme ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a): Yes, Sir. However, NABARD only provides refinance to banks, which in turn finance SHGs.

(b): No, Sir.

(c): In order to avoid duplication, banks normally ensure that the SHGs do not have any borrowings outstanding from the other bank branches in the neighborhood, (d): As per NABARD/RBI guidelines, only one member of a family is eligible to become a member of a particular SHG. The SHGs are promoted and nurtured by self-help promoting institutions like NGOs, banks, individual volunteers, anganwadi workers and development field staff of State Governments. The same bank, which normally provides the saving facilities, also meets the requirement of the SHG. Further all SHGs do have a specific name (sometime pre-fixed with the name of the promoting institution) and a separate account number which precludes them being financed twice by different institutions.